8.11.2003 approved the proposal for acquisition of 10 medium capacity long-range (A-340-300) and 18 small capacity short-range (B-737-800) aircraft at an estimated cost of Rs. 10,589 crores. With this acquisition Air India will phase out the entire fleet of B747-200 and the B747-300 Combi aircraft and some of its leased B747-400/A310-300 aircraft. Currently Air India is in the process of phasing out one B747-200 aircraft by selling the engines and rotables separately. The Project Report relating to this proposal has not yet been received by the Government. No firm target date for completion of the phasing/ acquisition can be indicated at this stage as the proposal has to go through the laid down procedures for public investment.

Performance of Airports in Southern States

1416. DR. DASARI NARAYANA RAO: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the airports in Southern States of the country are runing in losses;

(b) if so, airport-wise and accumulated losses of each of these airports as on date;

(c) what is the position of Port Blair Airport in this regard;

(d) what are reasons for such losses; and

(e) what efforts Government have made to increase the volume of air traffic at these airports and revive them within a time-frame?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI RAJIV PRATAP RUDI): (a) Yes, Sir. A total of 16 airports in Southern States of the countray are running in losses.

(b) and (c) Approximate accumulated losses of the 16 airports, airport-wise are Rs. 8.24 crore at Port Blair in Andaman & Nicobar; Rs. 1.43 crore at Rajamundry, Rs. 8.76 crore atTirupati, Rs. 7.67 crore at Vijayawada & Rs. 9.84 crore at Vishakhapatnam in Andhra Pradesh; Rs. 1.11 crofe at Hubli, Rs. 1.10 crore at Mangalore & Rs. 6.42 crore at Belgaum in Karnataka; Rs. 3.73 crore at Trivandrum in Kerala; Rs. 5.30 crore at Agatti in Lakshadweep Islands; Rs. 0.75 crore at Pondicherry; Rs. 9.92 crore at Coimbatore, Rs. 12.34 crore at Madurai, Rs. 1.00

crore at Salem, Rs. 14.67 crore atTrichy & Rs. 0.95 crore atTuticorin in Tamil Nadu.

(d) Very low traffic is the major reason for incurring consistent losses at these airports.

(e) Most of the airports have to be maintained due to strategic and socio-economic considerations. The above places are well connected by rail and road. Hence to sufficient air traffic is available at these airports.

Task Force on international taxation

1417. SHRI K. RAMA MOHANA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether the Task Force, set up by Government on matters relating to the latest developments in international taxation has submitted its report:

(b) if so, what are the recommendations made by the Committee on IT imports; and

(c) what steps have been by Government on the recommendations made by the Committee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) Yes, Sir. The Task Force has submitted its report on Information Technology (IT) Enabled Business Process Outsourcing.

(b) The Task Force has given views on the legal issues involved in the taxation of IT enabled Business Process Outsourcing. No recommendation on IT imports has been given.

(c) The Task Force is only a recommendatory body and, therefore, the recommendations made have been examined by the Government. As of date, no action is required on this issue at the level of,the Government. If required, Central Board of Direct Taxes will issue necessary instruction.